



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Green River District, Price Field Office  
125 South 600 West  
Price, UT 84501  
<http://www.blm.gov/ut/st/en/fo/price.html>



**OCT 18 2012**

IN REPLY REFER TO:  
SL-068754  
3485(UTG023)

### Memorandum

To: Chief, Branch of Solid Minerals, Utah State Office

From: Patricia A. Clabaugh *Patricia A. Clabaugh*  
Field Manager

Subject: Royalty Rate Reduction Application, Supplemental Information, West Ridge Mine,  
UtahAmerican Energy, Inc., Lessee

On October 9, 2012, UtahAmerican Energy, Inc. (UEI), submitted to your office supplemental information regarding their Royalty Rate Reduction (RRR) application filed in 2009. This office has been asked to verify the coal production tonnage reported by UEI for the requested Category 1 RRR.

The supplemental information from UEI contains mine maps showing areas that have been mined for RRR consideration. UEI reports 1,480,252 tons of coal produced from these areas (shaded on the mine map). We have made a volumetric calculation from the mine map of the tonnage and calculate approximately 1,640,000 tons. This is within 10% of the reported UEI tons and well within acceptable variances for these small scale maps. Reported production for royalty purposes from all areas of the mine has been checked and verified (from October 15<sup>th</sup> to 17<sup>th</sup> and completed on October 17, 2012). In addition, the tonnage reported for RRR consideration has all come from areas in the mine where coal quality issues (in-seam rock splits, weak roof rock, etc.) have been noted and verified by inspections which supports UEI's reason for a RRR (> 14% ash). Hence, UEI's supplemental information is reasonable and we recommend that UEI's figure of 1,480,252 tons be accepted for RRR consideration. If you have any questions, please contact Steve Rigby at 435-636-3604.

cc: Bill Stringer (UTG000)